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Separate paging is given to this Part in order that it may be filed as a separate compilation.

## LOK SABHA

The following Bill was introduced in Lok Sabha on 7th December, 2001.

### BILL NO. 117 OF 2001

*A Bill to amend the Jute Manufactures Cess Act, 1983.*

BE it enacted by Parliament in the Fifty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Jute Manufactures Cess (Amendment) Act, 2001.

Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, specify.

2. For the Schedule to the Jute Manufactures Cess Act, 1983, the following Schedule shall be substituted, namely:—

Substitution of a new Schedule for Schedule to Act 28 of 1983.

## "THE SCHEDULE

[See sections 2(a) and 3(1)]

Sl. No.	Articles of jute manufacture	The maximum rate at which duty of excise may be collected	Actual rate at which duty of excise is to be collected until a different rate is specified by the Central Government
1	2	3	4
1.	Carpet Backing	Two per cent. <i>ad valorem</i>	One per cent. <i>ad valorem</i>
2.	Hessian	Two per cent. <i>ad valorem</i>	One per cent. <i>ad valorem</i>
3.	Sacking	Two per cent. <i>ad valorem</i>	One per cent. <i>ad valorem</i>
4.	Yarn and Twine	Two per cent. <i>ad valorem</i>	One per cent. <i>ad valorem</i>
5.	D.W. Tarpaulin	Two per cent. <i>ad valorem</i>	One per cent. <i>ad valorem</i>
6.	Decorative Fabrics	Two per cent. <i>ad valorem</i>	One per cent. <i>ad valorem</i>
7.	Cotton Bagging	Two per cent. <i>ad valorem</i>	One per cent. <i>ad valorem</i>
8.	Soil Saver	Two per cent. <i>ad valorem</i>	One per cent. <i>ad valorem</i>
9.	Japanese Rice Bags	Two per cent. <i>ad valorem</i>	One per cent. <i>ad valorem</i>
10.	Any other article of jute manufacture	Two per cent. <i>ad valorem</i>	One per cent. <i>ad valorem</i> ."

## STATEMENT OF OBJECTS AND REASONS

The Jute Manufactures Development Council (JMDC) was set up originally in 1976 under the Industries (Development and Regulation) Act, 1951, as a development council. It was established as a statutory body in the present form under the Jute Manufactures Development Council Act, 1983 (JMDC Act, 1983) which provides for the establishment of a Council for the development of production of jute manufactures by increasing the efficiency and productivity in the jute industry, the financing of activities for such development and matters concerned therewith. For this purpose, the Council receives grants from the Consolidated Fund of India to which the proceeds of cess collected on jute manufactures are credited.

2. The Jute Manufactures Cess Act, 1983 (JMC Act, 1983) was enacted to provide for the levy and collection, by way of cess, a duty of excise on jute manufactures. The cess is being collected by the Central Government and credited to the Consolidated Fund of India. Funds are provided to the Jute Manufactures Development Council by appropriation through the budget. Under the said Act, cess is collected as a duty of excise at a fixed rate on different articles on per tonne basis specified in the Schedule to the JMC Act, 1983. At present, the cess is being collected at the maximum rate specified in the Schedule to the JMC Act, 1983. The rate of cess collections under the JMC Act, 1983 are inelastic and found to be inadequate to meet the requirement for development and promotion of activities concerning jute industry as specified in section 7 of JMDC Act, 1983.

3. It is, therefore, considered necessary to increase the resources through proposed cess to enable JMDC to take up a range of activities for the development of the jute industry, particularly in the context of the need for improving productivity and competitiveness in the jute sector. It is proposed to levy cess on the articles of jute manufacture on *ad valorem* basis instead of per tonne basis to increase the resources.

4. The proposal to levy cess on *ad valorem* basis will increase the collection of cess on jute manufactures in comparison to the amount now collected on per tonne basis specified in the Schedule to the JMC Act, 1983. The levy of cess on *ad valorem* basis instead of per tonne basis will enable the collections to keep pace with the increasing value of jute manufactures. The increased collections will also enable JMDC to meet its statutory obligations for taking various measures for development of jute manufactures and the modernisation of the jute sector, including jute industry.

5. In view of above, it is felt necessary to bring an amendment to the Jute Manufactures Cess Act, 1983 to provide for collection of cess on jute manufactures at a maximum rate of two per cent. *ad valorem* and at an actual rate of one per cent. till a different rate is specified by the Central Government instead of levy of cess on per tonne basis.

6. The Bill seeks to achieve the aforesaid object.

NEW DELHI;  
The 29th November, 2001.

KASHIRAM RANA.

## FINANCIAL MEMORANDUM

Clause 2 of the Bill proposes to substitute Maximum rate and Actual rate at which duty of excise is to be collected on jute manufactures, as specified in Schedule to the Jute Manufactures Cess Act, 1983, from the prevailing rates, on quantity basis to two per cent. maximum and one per cent. actual, *ad valorem*.

2. There is no extra expenditure involved as a result of implementation of the above proposal since cess will be collected by the existing machinery, namely, Department of Revenue.

G. C. MALHOTRA,  
*Secretary-General.*